



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

In addition to the Five-Year Financial Planning Model presented annually with the budget as an estimate of future General Fund revenues and expenditures and potential budget surpluses or shortfalls, City Council's Budget Guidance Resolution for FY 2021 resolved that the operating budget "shall include estimates of all operating revenues and expenditures for the proposed FY 2021 and the subsequent Fiscal Year 2022."

On February 18, 2020, staff presented the FY 2021 proposed operating budget of \$799.9 million which included an FY 2022 projection of \$820.8 million in revenue, \$827.0 million in expenditures and a \$6.3 million budget gap. Subsequently as a result of the COVID-19 pandemic, staff revised the FY 2021 budget by reducing revenues and expenditures by \$56.4 million. In the revised projection for FY 2022, revenues have been reduced by \$54.7 million from the proposed budget, City and Alexandria City Public Schools expenditures have been reduced by \$7.7 million, and \$24.2 million in cash capital funding for the CIP that was eliminated as part of the FY 2021 expenditure reduction has been temporarily moved to FY 2022 until the projects funded by that source are cancelled or preprogrammed in the FY 2022-2031 CIP. The result is a \$10.9 million projected budget gap.

Revenues	FY 2019 Actual	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
Real Estate Tax	451,685,949	462,848,143	477,554,000	493,659,717
Personal Property	50,026,387	56,944,910	55,231,000	56,865,838
Sales Tax	28,787,034	28,800,000	26,194,000	26,969,342
Utility Tax	11,264,818	12,000,000	12,700,000	12,700,000
Business License Tax	36,883,865	34,378,000	22,000,000	22,404,800
Recordation Tax	5,915,166	6,000,000	5,900,000	5,900,000
Transient Lodging	12,879,159	12,800,000	10,833,000	11,089,742
Restaurant Food	23,999,949	24,231,000	20,500,000	20,832,100
Communication Sales Tax	9,167,402	9,200,000	8,275,000	7,862,078
Other Local Taxes	11,363,395	8,079,090	8,209,090	8,264,912
Federal Revenue	8,513,569	9,397,000	10,234,303	7,894,000
State Revenue	47,610,552	48,143,046	48,001,386	48,491,000
Other Revenue	58,129,423	48,721,079	47,644,368	49,311,921
Total Revenue	756,226,665	761,542,268	753,276,147	772,245,450

Expenditures	FY 2019 Actual	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
City Personnel	221,461,575	233,429,058	228,904,844	235,226,974
City Non-Personnel	159,960,899	154,485,574	158,767,354	164,563,333
City Debt Service	40,912,798	37,863,075	37,288,070	39,522,064
Schools Debt Service	28,924,085	28,112,251	28,578,698	29,724,328
Cash Capital	38,216,651	41,062,143	27,317,835	30,000,000 ¹
Transit Subsidies	29,577,638	34,920,671	38,382,049	39,343,835
Schools	223,829,302	231,669,496	234,037,296	243,234,962
Total Expenditures	742,882,947	761,542,268	753,276,147	781,615,496
Operating Impact from CIP	-	-	-	1,541,300
Total Expenditures	742,882,947	761,542,268	753,276,147	783,156,796

Shortfall/Surplus	\$(Millions)	FY 2019 Actual	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
Revenues		\$756.2	\$761.5	\$753.3	\$772.2
Expenditures		\$742.9	\$761.5	\$753.3	\$783.2
Annual Deficit		\$13.3	\$0.0	\$0.0	(\$10.9)

¹ The Capital Improvement Plan (CIP) will be revised as part of the FY 2022 budget process.



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

If revenues and expenditures grow at the rates assumed in the Five-Year Financial Planning Model and the changes outlined in the following pages are included as planned, the FY 2022 budget development process would begin with a shortfall of \$10.9 million. The City is required by code to adopt a balanced budget each year, so any shortfall shown in future years is for illustrative purposes and would be eliminated in the budget process through revenue increases, expenditure reductions, or a combination of the two.

The FY 2022 estimate is derived from the Five Year Financial Planning Model, which includes the City-wide General Fund approved budget for FY 2021 and City-wide General Fund estimates for FY 2022 through FY 2025. The Five Year Financial Planning Model uses prior year actual trend data and assumptions about future behavior to forecast revenue and operating expenditure growth rates to establish baseline revenues and expenditure estimates for upcoming fiscal years and then adjusts them for planned multi-year budget changes such as cash capital and debt service funding for the CIP, the elimination of one-time revenues and expenditures and/or the planned multi-year phase-in or phase-out of programs and services.

In response to Council guidance for FY 2021, year two of the FY 2021-2025 Five Year Financial Planning Model, has been expanded into more detail to include General Fund personnel and non-personnel expenditure estimates for each department, on the following pages, followed by a list of adjustments made by department to the baseline growth rate. Following that section is the Five Year Financial Planning Model and an estimate of FY 2022 City-wide revenues and expenditures for all City funds.



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

The two-year presentation of operating revenue/expenditures projects anticipated future expenditures in the FY 2022 budget growing at forecasted rates. This projection outlook allows the City to plan for anticipated financial conditions in future years. It is based on the current personnel and non-personnel expenditure growth assumptions by department and includes adjustments for individual line items in FY 2022 which are outlined after the following tables.

Expenditures	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
CIRCUIT COURT JUDGES			
Personnel	\$ 1,349,823	\$ 1,365,495	\$ 1,403,209
Non-Personnel	\$ 174,991	\$ 171,039	\$ 175,935
	<u>\$ 1,524,814</u>	<u>\$ 1,536,534</u>	<u>\$ 1,579,144</u>
 18TH GENERAL DISTRICT COURT			
Personnel	\$ 92,634	\$ 41,934	\$ 43,092
Non-Personnel	\$ 59,452	\$ 56,976	\$ 58,607
	<u>\$ 152,086</u>	<u>\$ 98,910</u>	<u>\$ 101,699</u>
 CITY CLERK & CLERK OF COUNCIL			
Personnel	\$ 360,088	\$ 361,252	\$ 371,229
Non-Personnel	\$ 57,521	\$ 62,289	\$ 64,072
	<u>\$ 417,609</u>	<u>\$ 423,541</u>	<u>\$ 435,302</u>
 CITY COUNCIL			
Personnel	\$ 610,448	\$ 601,256	\$ 617,862
Non-Personnel	\$ 78,260	\$ 96,850	\$ 99,623
	<u>\$ 688,708</u>	<u>\$ 698,106</u>	<u>\$ 717,485</u>
 CLERK OF THE CIRCUIT COURT			
Personnel	\$ 1,564,632	\$ 1,656,714	\$ 1,702,471
Non-Personnel	\$ 90,391	\$ 87,640	\$ 90,149
	<u>\$ 1,655,023</u>	<u>\$ 1,744,354</u>	<u>\$ 1,792,620</u>
 CITY MANAGER'S OFFICE			
Personnel	\$ 2,092,902	\$ 2,192,175	\$ 2,252,721
Non-Personnel	\$ 176,585	\$ 177,369	\$ 182,447
	<u>\$ 2,269,487</u>	<u>\$ 2,369,544</u>	<u>\$ 2,435,167</u>
 CODE ADMINISTRATION			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 24,000	\$ 24,000	\$ 24,687
	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 24,687</u>



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
COMMONWEALTH'S ATTORNEY			
Personnel	\$ 2,989,873	\$ 2,830,214	\$ 2,908,382
Non-Personnel	\$ 98,929	\$ 100,482	\$ 103,359
	<u>\$ 3,088,802</u>	<u>\$ 2,930,696</u>	<u>\$ 3,011,740</u>
COMMUNICATIONS & PUBLIC INFORMATION			
Personnel	\$ 1,207,207	\$ 1,103,995	\$ 1,134,486
Non-Personnel	\$ 337,086	\$ 443,235	\$ 455,924
	<u>\$ 1,544,293</u>	<u>\$ 1,547,230</u>	<u>\$ 1,590,410</u>
COURT SERVICE UNIT			
Personnel	\$ 1,330,656	\$ 1,294,095	\$ 1,329,837
Non-Personnel	\$ 325,913	\$ 318,330	\$ 327,443
	<u>\$ 1,656,569</u>	<u>\$ 1,612,425</u>	<u>\$ 1,657,280</u>
DEPARTMENT OF COMMUNITY & HUMAN SERVICES			
Personnel	\$ 5,490,128	\$ 5,378,434	\$ 5,526,981
Non-Personnel	\$ 48,242,396	\$ 48,163,784	\$ 49,563,093
	<u>\$ 53,732,524</u>	<u>\$ 53,542,218</u>	<u>\$ 55,090,074</u>
DEPARTMENT OF EMERGENCY & CUSTOMER COMMUNICATIONS			
Personnel	\$ 6,190,790	\$ 6,482,838	\$ 6,661,888
Non-Personnel	\$ 1,938,739	\$ 2,244,865	\$ 2,309,130
	<u>\$ 8,129,529</u>	<u>\$ 8,727,703</u>	<u>\$ 8,971,018</u>
DEPARTMENT OF GENERAL SERVICES			
Personnel	\$ 6,843,801	\$ 5,105,371	\$ 5,246,376
Non-Personnel	\$ 7,275,049	\$ 5,845,531	\$ 6,012,874
	<u>\$ 14,118,850</u>	<u>\$ 10,950,902</u>	<u>\$ 11,259,250</u>
ECONOMIC DEVELOPMENT			
Personnel	-	-	-
Non-Personnel	\$ 6,399,558	\$ 6,923,390	\$ 7,121,589
	<u>\$ 6,399,558</u>	<u>\$ 6,923,390</u>	<u>\$ 7,121,589</u>



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
FINANCE DEPARTMENT			
Personnel	\$ 9,659,497	\$ 8,996,054	\$ 9,244,516
Non-Personnel	\$ 3,310,582	\$ 3,323,013	\$ 3,418,143
	<u>\$ 12,970,079</u>	<u>\$ 12,319,067</u>	<u>\$ 12,662,659</u>
FIRE DEPARTMENT			
Personnel	\$ 48,902,672	\$ 47,667,603	\$ 48,984,136
Non-Personnel	\$ 5,070,296	\$ 5,277,263	\$ 5,828,338
	<u>\$ 53,972,968</u>	<u>\$ 52,944,866</u>	<u>\$ 54,812,474</u>
HEALTH DEPARTMENT			
Personnel	\$ 1,878,627	\$ 2,818,189	\$ 2,896,025
Non-Personnel	\$ 5,201,919	\$ 5,389,202	\$ 5,543,481
	<u>\$ 7,080,546</u>	<u>\$ 8,207,391</u>	<u>\$ 8,439,506</u>
HISTORIC ALEXANDRIA			
Personnel	\$ 2,818,436	\$ 2,651,234	\$ 2,724,459
Non-Personnel	\$ 519,628	\$ 644,561	\$ 663,013
	<u>\$ 3,338,064</u>	<u>\$ 3,295,795</u>	<u>\$ 3,387,472</u>
HOUSING			
Personnel	\$ 1,647,822	\$ 1,516,584	\$ 1,558,471
Non-Personnel	\$ 5,598,377	\$ 4,957,861	\$ 5,099,792
	<u>\$ 7,246,199</u>	<u>\$ 6,474,445</u>	<u>\$ 6,658,263</u>
HUMAN RESOURCES			
Personnel	\$ 3,302,191	\$ 3,012,612	\$ 3,095,817
Non-Personnel	\$ 1,231,860	\$ 999,668	\$ 1,028,286
	<u>\$ 4,534,051</u>	<u>\$ 4,012,280</u>	<u>\$ 4,124,103</u>
HUMAN RIGHTS			
Personnel	\$ 756,235	\$ 783,733	\$ 805,379
Non-Personnel	\$ 149,563	\$ 157,147	\$ 161,646
	<u>\$ 905,798</u>	<u>\$ 940,880</u>	<u>\$ 967,025</u>



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND

OPERATING REVENUE/EXPENDITURES

Expenditures	FY 2020 Approved		FY 2021 Approved		FY 2022 Projected	
INTERNAL AUDIT						
Personnel	\$	399,977	\$	266,416	\$	273,774
Non-Personnel	\$	42,025	\$	39,754	\$	40,892
	\$	442,002	\$	306,170	\$	314,666
ITS						
Personnel	\$	7,680,751	\$	7,986,245	\$	8,206,817
Non-Personnel	\$	4,060,950	\$	4,678,343	\$	5,743,638
	\$	11,741,701	\$	12,664,588	\$	13,950,455
JUVENILE & DOMESTIC RELATIONS						
DISTRICT COURT						
Personnel	\$	49,542	\$	51,724	\$	53,153
Non-Personnel	\$	36,209	\$	34,087	\$	35,063
	\$	85,751	\$	85,811	\$	88,215
LIBRARY						
Personnel	\$	-	\$	-	\$	-
Non-Personnel	\$	7,115,682	\$	7,175,971	\$	7,381,401
	\$	7,115,682	\$	7,175,971	\$	7,381,401
NON-DEPARTMENTAL						
Personnel	\$	455,025	\$	(188,272)	\$	(193,472)
Non-Personnel	\$	9,891,898	\$	13,620,884	\$	14,010,816
	\$	10,346,923	\$	13,432,612	\$	13,817,344
OFFICE OF THE CITY ATTORNEY						
Personnel	\$	2,414,573	\$	2,417,739	\$	2,484,515
Non-Personnel	\$	604,309	\$	833,706	\$	857,573
	\$	3,018,882	\$	3,251,445	\$	3,342,088
OFFICE OF MANAGEMENT & BUDGET						
Personnel	\$	1,231,239	\$	1,191,918	\$	1,224,838
Non-Personnel	\$	57,490	\$	83,178	\$	85,559
	\$	1,288,729	\$	1,275,096	\$	1,310,397



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND

OPERATING REVENUE/EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
OFFICE OF ORGANIZATIONAL EXCELLENCE			
Personnel	\$ -	\$ 109,929	\$ 112,965
Non-Personnel	\$ -	\$ 42,500	\$ 43,717
	<u>\$ -</u>	<u>\$ 152,429</u>	<u>\$ 156,682</u>
OFFICE OF PERFORMANCE & ACCOUNTABILITY			
Personnel	\$ 404,207	\$ 406,728	\$ 417,961
Non-Personnel	\$ 119,975	\$ 102,580	\$ 140,517
	<u>\$ 524,182</u>	<u>\$ 509,308</u>	<u>\$ 558,478</u>
OTHER EDUCATIONAL ACTIVITIES			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 16,128	\$ 16,009	\$ 16,467
	<u>\$ 16,128</u>	<u>\$ 16,009</u>	<u>\$ 16,467</u>
OTHER HEALTH SERVICES			
Personnel	-	-	-
Non-Personnel	\$ 1,214,241	\$ 1,235,495	\$ 1,270,864
	<u>\$ 1,214,241</u>	<u>\$ 1,235,495</u>	<u>\$ 1,270,864</u>
OTHER PUBLIC SAFETY & JUSTICE SERVICES			
Personnel	\$ 728,487	\$ 521,519	\$ 535,923
Non-Personnel	\$ 3,703,095	\$ 3,871,095	\$ 3,981,915
	<u>\$ 4,431,582</u>	<u>\$ 4,392,614</u>	<u>\$ 4,517,838</u>
PLANNING & ZONING			
Personnel	\$ 5,748,214	\$ 5,451,189	\$ 5,601,746
Non-Personnel	\$ 304,853	\$ 326,667	\$ 336,019
	<u>\$ 6,053,067</u>	<u>\$ 5,777,856</u>	<u>\$ 5,937,764</u>
POLICE DEPARTMENT			
Personnel	\$ 59,377,151	\$ 56,845,443	\$ 58,415,459
Non-Personnel	\$ 7,469,293	\$ 5,197,253	\$ 5,346,037
	<u>\$ 66,846,444</u>	<u>\$ 62,042,696</u>	<u>\$ 63,761,496</u>



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND

OPERATING REVENUE/EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Approved	FY 2022 Projected
RECREATION, PARKS, & CULTURAL ACTIVITIES			
Personnel	\$ 16,096,897	\$ 16,096,127	\$ 16,540,686
Non-Personnel	\$ 7,618,369	\$ 7,159,965	\$ 7,364,937
	<u>\$ 23,715,266</u>	<u>\$ 23,256,092</u>	<u>\$ 23,905,623</u>
SCHOOLS			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 231,669,496	\$ 234,037,296	\$ 243,234,962
	<u>\$ 231,669,496</u>	<u>\$ 234,037,296</u>	<u>\$ 243,234,962</u>
SHERIFF'S OFFICE			
Personnel	\$ 27,575,017	\$ 27,916,704	\$ 28,687,736
Non-Personnel	\$ 5,050,391	\$ 5,109,017	\$ 5,255,275
	<u>\$ 32,625,408</u>	<u>\$ 33,025,721</u>	<u>\$ 33,943,012</u>
TRANSPORTATION & ENVIRONMENTAL SERVICES			
Personnel	\$ 11,291,924	\$ 13,004,890	\$ 13,364,072
Non-Personnel	\$ 20,371,834	\$ 23,283,293	\$ 23,949,836
	<u>\$ 31,663,758</u>	<u>\$ 36,288,183</u>	<u>\$ 37,313,908</u>
TRANSIT SERVICES			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 34,920,671	\$ 38,382,049	\$ 39,343,835
	<u>\$ 34,920,671</u>	<u>\$ 38,382,049</u>	<u>\$ 39,343,835</u>
VOTER REGISTRATION & ELECTIONS			
Personnel	\$ 887,592	\$ 966,763	\$ 993,464
Non-Personnel	\$ 447,737	\$ 493,062	\$ 371,177
	<u>\$ 1,335,329</u>	<u>\$ 1,459,825</u>	<u>\$ 1,364,641</u>
Total Personnel	\$ 233,429,058	\$ 228,904,844	\$ 235,226,974
Total Non-Personnel	\$ 437,172,638	\$ 447,282,826	\$ 463,682,816
Debt Service	\$ 65,975,326	\$ 65,866,768	\$ 69,246,392
Cash Capital	\$ 41,062,143	\$ 27,317,835	\$ 30,000,000
CIP Operating Impacts	\$ -	\$ -	\$ 1,541,300
GRAND TOTAL	\$ 761,542,268	\$ 753,276,147	\$ 783,156,796



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

The following table details the City's planned budget adjustments for FY 2022 beyond the assumed expenditure growth rates that were used to project an FY 2022 expenditure estimate for City Personnel (2.7%), City Non-Personnel (2.9%), Transit (2.5%), and Alexandria City Public Schools (3.9%) all based on five-year actual average annual growth rates. The FY 2021 budget includes increased vacancy savings factors for each department based on a hiring freeze in the City. Across all departments an additional \$4.3 million of vacancy savings was added from the proposed budget version 2.0. Projected FY 2022 City Personnel expenditures assumes a continuation of these savings. Cash Capital and Debt Service reflect the City and School capital investments included in the CIP budget.

Department	Adjustment	FY 2022
Circuit Court Judges		\$ -
18th General District Court		\$ -
City Clerk & Clerk of Council		\$ -
City Council		\$ -
Clerk of the Circuit Court		\$ -
City Manager's Office		\$ -
Code Administration		\$ -
Commonwealth's Attorney		\$ -
Communications & Public Information		\$ -
Court Service Unit		\$ -
Department of Community & Human Services	Remove Economic Equality grant	\$ 20,500
Emergency & Customer Communications		\$ -
Department of General Services		\$ -
Economic Development		\$ -
Finance Department		\$ -
Fire Department	Overtime savings from 6.0 FTEs added in FY21, SAFER grants adjustments	\$ 400,000
Health Department		\$ -
Historic Alexandria		\$ -
Housing		\$ -
Human Resources		\$ -
Human Rights		\$ -
Internal Audit		\$ -
Information Technology Services	311 CRM License Fees, Anticipated Capital to Operating Expenses	\$ 931,365
Juvenile & Domestic Relations District Court		\$ -
Library		\$ -
Non-Departmental		\$ -
Office of the City Attorney		\$ -
Office of Management and Budget		\$ -
Organizational Excellence		\$ -
Office of Performance & Accountability	Add Resident Survey	\$ 35,000
Other Educational Activities		\$ -
Other Health Services		\$ -
Other Public Safety & Justice Services		\$ -



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

Department	Adjustment	FY 2022
Planning & Zoning		\$ -
Police Department		\$ -
Recreation, Parks, & Cultural Activities		\$ -
Schools		\$ -
Sheriff's Office		\$ -
Transportation & Environmental Services		\$ -
Transit Services		\$ -
Voter Registration & Elections	Remove FY 2021 Presidential Election Costs	\$ (136,000)
FY 2022 Budget Development	To be identified savings and efficiencies	\$ (4,000,000)
FY 2022 Budget Development	Program expansions to meet increased demand or program enhancements	\$ 4,000,000
Total Department Adjustments		\$ 1,250,865

Multi-Year Budget Planning



FIVE-YEAR FINANCIAL PLANNING MODEL

Five-Year Financial Planning Model

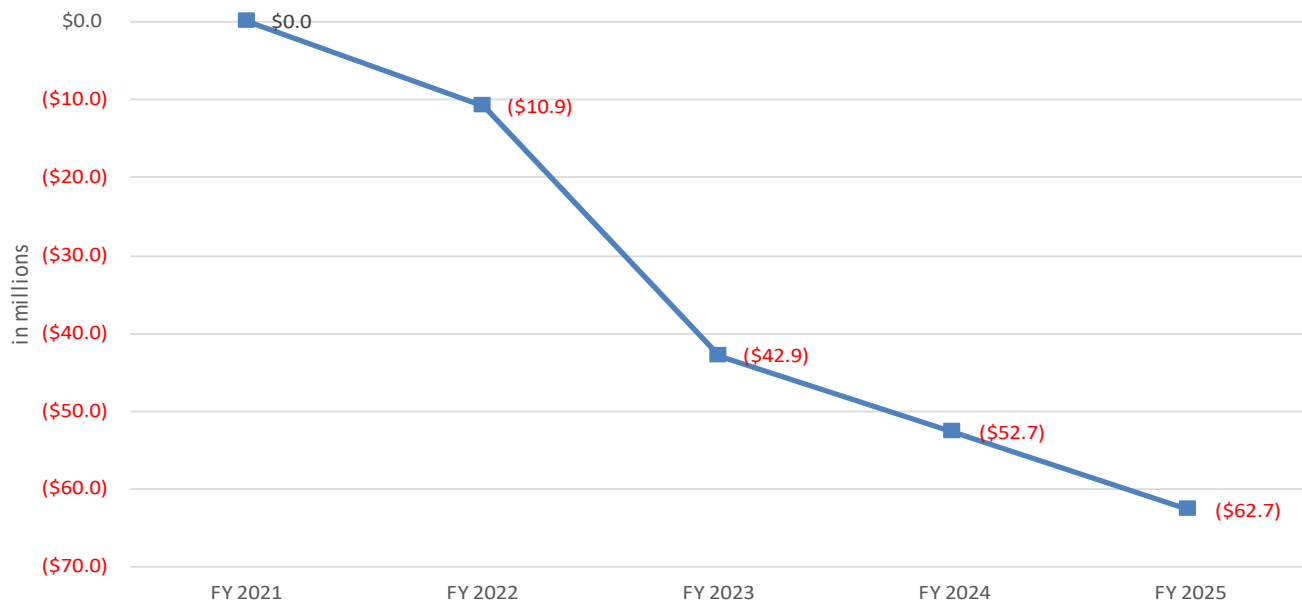
The City has long used multi-year financial forecasting as a planning and communication tool. Staff updated the model for the FY 2020 budget and again for the November 2019 City Council annual budget retreat. The revenue and expenditure assumptions have since been updated to reflect the FY 2021 approved budget and capital improvement program. The updated five year financial planning model combines projections of future revenues and expenditures based on historical analysis with planned or expected changes such as the approved Capital Improvement Program (CIP) out-year funding.

Since the November 2019 City Council Retreat, the model has been updated to reflect the FY 2021 Approved Operating Budget and Approved FY 2021—FY 2030 CIP. This includes \$3.6 million in expenditure savings identified by City departments; \$1.6 million in revenue from increased cost recovery and collections; \$3.9 million of service enhancements, new initiatives and contingency funds. A two-cent real estate tax rate increase for City and Schools capital projects that was included as part of the City Manager's Proposed Operating Budget has been removed. As a result of these changes, among others, the budget gap projected in last year's Five Year Financial Planning model and in the model presented at the November 2019 City Council Retreat has been eliminated.

Five Year Forecast for FY 2021 to FY 2025

The chart below displays the anticipated future surpluses or shortfalls resulting from expenditures and budgets in the FY 2021 budget growing at forecasted rates. The forecasted shortfall decreases slightly in FY 2023 due to Sales Tax and Business License tax returning to FY 2019 levels. This forecast also includes additional two-cent real estate tax rate increases in FY 2022, FY 2023, and FY 2025 to fund School and City capital projects and the additional operating impacts of capital projects identified for projects included in the Approved FY 2021—FY 2030 Capital Improvement Program (CIP).

Forecasted Surplus/(Shortfall)



Multi-Year Budget Planning



FIVE-YEAR FINANCIAL PLANNING MODEL

As has been seen in previous years with low revenue growth, the City's revenue and expenditure growth rates are projected to be structurally out of balance starting in FY 2022. Debt service, particularly School debt service, drives 38% of the projected budget gap by FY 2025. The City's revenues at current tax rates are not expected to keep up with projected expenditures going forward, resulting in a fiscal imbalance. The structural imbalance is estimated to be \$10.9 million in FY 2022, growing to \$62.7 million by FY 2025. However, since each year's budget will be balanced when the budget for that year is adopted, these deficits will be eliminated before they occur.

Revenues	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Real Estate Tax	477,554,000	493,659,717	512,264,483	522,509,773	542,044,296
Personal Property	55,231,000	56,865,838	58,549,066	60,282,119	62,066,469
Sales Tax	26,194,000	26,969,342	28,787,034	29,639,130	30,516,448
Utility Tax	12,700,000	12,700,000	12,700,000	12,700,000	12,700,000
Business License Tax	22,000,000	22,404,800	36,883,865	37,787,519	38,713,313
Recordation Tax	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000
Transient Lodging	10,833,000	11,089,742	11,440,178	13,286,140	13,705,982
Restaurant Food	20,500,000	20,832,100	21,282,073	24,518,348	25,047,944
Communication Sales Tax	8,275,000	7,862,078	7,469,760	7,097,019	6,742,878
Other Local Taxes	8,209,090	8,264,912	8,321,113	8,377,697	8,434,665
Federal Revenue	10,234,303	7,894,000	7,894,000	7,894,000	7,894,000
State Revenue	48,001,386	48,491,000	48,985,608	49,485,262	49,990,011
Other Revenue	47,644,368	49,311,921	51,037,838	52,824,162	54,673,008
Total Revenue	753,276,147	772,245,450	811,515,019	832,301,168	858,429,014

Expenditures	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Personnel	228,904,844	235,226,974	241,824,777	248,715,431	255,917,419
City Non-Personnel	158,767,354	164,563,333	172,537,355	180,993,171	186,787,760
City Debt Service	37,288,070	39,522,064	59,838,252	71,776,415	78,225,196
Schools Debt Service	28,578,698	29,724,328	42,992,489	49,378,086	51,720,537
Cash Capital	27,317,835	30,000,000	36,848,300	22,440,000	22,205,500
Transit Subsidies	38,382,049	39,343,835	40,334,752	41,355,876	42,408,333
Schools	234,037,296	243,234,962	252,794,096	262,728,904	273,054,150
Total Expenditures	753,276,147	781,615,496	847,170,020	877,387,882	910,318,894
Operating Impact from CIP		1,541,300	7,244,700	7,585,600	10,852,500
Total Expenditures	753,276,147	783,156,796	854,414,720	884,973,482	921,171,394

Shortfall/Surplus	\$ (Millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues		\$753.3	\$772.2	\$811.5	\$832.3	\$858.4
Expenditures		\$753.3	\$783.2	\$854.4	\$885.0	\$921.2
Annual Deficit		\$0.0	(\$10.9)	(\$42.9)	(\$52.7)	(\$62.7)

Multi-Year Budget Planning



FIVE-YEAR FINANCIAL PLANNING MODEL

The revenue growth assumptions are based off of the City's revenue performance over the last five completed fiscal years, FY 2015—FY 2019. Using the City's recent historical revenue collection, a compounded annual growth rate can then be calculated, reviewed to correct for any outlying phenomena, and used to forecast revenues for the coming fiscal years. The table below outlines the forecasted growth rate used for the next five years.

Revenue Assumptions	
Category	Rate
Real Estate Assessments ¹	2.0%
Personal Property	3.0%
Sales Tax ²	3.0%
Utility Tax	0.0%
Business License Tax ²	2.5%
Recordation Tax	0.0%
Transient Lodging ³	3.2%
Restaurant Food ³	2.2%
Communications Sales Tax	-5.0%
Other Local Taxes	0.7%
Federal Revenue	0.0%
State Revenue	1.0%
Other Revenue	3.5%
Total Weighted Growth Rate	3.3%

¹ FY 2022 assumes Commercial Real Estate has not yet rebounded.

² FY 2022 assumes category not yet performing at 5-year growth. FY 2023 revenue projections assume a return to FY 2019 levels.

³ FY 2022 assumes category not yet performing at 5-year growth. FY 2024 revenue projections assume a return to FY 2019 levels.